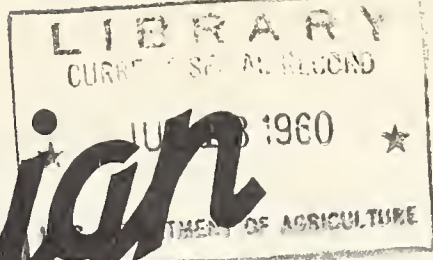


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Foreign

CROPS AND MARKETS

FOR RELEASE MONDAY, JULY 11, 1960

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U. S. Summer Citrus: Outlook for Competition in Europe. Foreign
Agriculture Circular FCF 3-60. 11 pp.

Foreign Agriculture Magazine, July 1960.

SWISS TOBACCO IMPORTS STABLE

Swiss duty-paid imports of unmanufactured tobacco in 1959 totaled 28.1 million pounds--about the same as in 1958. The U. S. share in the Swiss market was a little smaller in 1959, however, than in the previous year--43.4 percent, compared with 44.8 percent. Imports of U. S. leaf totaled 12.2 million pounds in 1959 and 12.7 million in 1958. Major suppliers other than the United States included Brazil, Greece, Italy, Turkey, and Indonesia.

Leaf imports for cigarette manufacture totaled 18.2 million pounds, with the United States supplying 10 million pounds in this classification. Other major sources of cigarette leaf included Greece, Italy, and Turkey.

TOBACCO, UNMANUFACTURED: Switzerland, duty-paid imports
by country of origin, 1957-59

Country of origin	1957	1958	1959
	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>
United States.....	11,988	12,661	12,189
Brazil.....	3,856	4,167	3,929
Greece.....	2,348	2,383	2,540
Italy.....	1,908	2,044	2,088
Turkey.....	2,390	2,136	2,041
Indonesia.....	1,190	1,287	1,310
Dominican Republic.....	766	838	818
Cuba.....	459	467	474
Rhodesias-Nyasaland.....	238	298	322
India.....	158	174	196
Others.....	1,591	1,785	2,169
Total.....	26,892	28,240	28,076

OUTPUT OF TOBACCO PRODUCTS IN
FRANCE DROPS IN 1959

Preliminary information indicates that French output of tobacco products in 1959 declined about 6 percent from 1958.

Production of all categories of products except cigars was smaller. Cigarettes showed the biggest drop--declining from 101.5 million pounds in 1958 to 92.6 million in 1959. The lower volume of tobacco products last year followed sharp increases in retail prices effective in early January 1959.

FLUE-CURED TOBACCO SELLING RAPIDLY IN RHODESIA

A total of 68 million pounds of flue-cured tobacco was sold on the auctions at Salisbury, Southern Rhodesia, during the first 10 weeks of this season. Prices averaged the equivalent of 39.0 U. S. cents per pound. In the comparable period last year, 58 million pounds were sold at an average price of 33.7 U. S. cents.

WEST GERMAN CIGARETTE CONSUMPTION RISES AGAIN IN 1959

Cigarette consumption in West Germany continued to rise in 1959. At 65.2 billion pieces, cigarette sales were nearly 8 percent above those of 1958, and further substantial gains are expected this year.

Sales of blended cigarettes are believed to have accounted for about 82 percent of the total in 1959. These included both the "American-blend" and the "German-blend". The former contains, on the average, about 40 percent U. S. leaf, 35 percent oriental leaf, and 25 percent other light cigarette leaf; the content of the latter averages 50 percent oriental, 30 percent U. S. leaf, and 20 percent other tobacco.

Filter-tipped cigarettes accounted for 60 percent of German consumption in 1959--compared with 49 percent in 1958. In March 1960, sales of filter-tips were averaging about 67 percent of total sales.

ARGENTINE GRAIN EXPORTS UP 15 PERCENT DESPITE DROP IN WHEAT AND RYE

Argentine grain exports during July-April 1959-60 totaled 5 million metric tons--up 15 percent from the same period last season.

Wheat and rye exports were down 470,000 tons, but corn, oats, and barley increased by over 900,000 tons. Corn shipments rose 800,000 tons to 2.6 million. Oats were up 31,000 tons. Barley rose 102,600 tons or 61 percent. Exports of sorghums were 175,000 tons, in contrast to none a year earlier.

The principal buyer of Argentine corn was Italy, which took about 39 percent of the total and 523,000 tons more than in the previous year. The chief buyers of oats were West Germany and the Netherlands. West Germany took 68 percent of the barley, and the Netherlands took 61 percent of the sorghums. All the rye again went to Western Europe.

Wheat exports during July-April 1959-60 totaled 1.7 million tons, compared with 2.2 million a year earlier--down 20.8 percent. Brazil continued to be the principal buyer, taking over 764,000 tons (276,000 tons less than a year earlier).

GRAINS: Argentine exports, July-April 1958-59 and July-April 1959-60

Country of destination	Wheat	Rye	Corn	Oats	Barley	Sorghums ^{1/}	Total
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
July-April 1958-59:							
United States	—	—	4,560	—	—	—	4,560
Bolivia	16,500	—	—	—	—	—	16,500
Brazil	1,039,679	—	—	7,552	2,910	—	1,050,141
Paraguay	48,388	—	—	—	—	—	48,388
Peru	80,349	—	—	—	—	—	80,349
Uruguay	—	—	472	—	940	—	1,412
Austria	10,713	—	9,870	—	—	—	20,583
Belgium-Luxembourg :	60,847	4,970	176,837	8,777	5,711	—	257,142
Czechoslovakia	—	—	2,850	1,500	—	—	4,350
Denmark	19,799	6,200	10,513	15,076	950	—	52,538
France	61,716	—	6,664	—	—	—	68,380
Germany, West	264,351	14,640	121,667	54,767	115,510	—	570,935
Italy	13,055	9,083	484,872	13,946	24,856	—	545,812
Malta	—	—	203	—	508	—	711
Netherlands	125,394	16,034	433,937	43,317	13,503	—	632,185
Norway	6,450	—	6,958	—	—	—	13,408
Poland	—	—	3,960	—	—	—	3,960
Rumania	—	7,771	6,200	1,150	—	—	15,121
Sweden	800	11,426	3,650	5,490	1,800	—	23,166
Switzerland	300	646	14,366	420	950	—	16,682
United Kingdom	409,579	2,495	257,881	12,808	2,723	—	685,486
Yugoslavia	1,000	—	—	—	—	—	1,000
Japan	—	—	218,055	—	—	—	218,055
Lebanon	7,875	—	—	—	—	—	7,875
Madeira Islands ...:	6,907	—	—	—	—	—	6,907
North Africa	3,898	—	1,785	—	—	—	5,683
South Africa	8,168	—	—	—	—	—	8,168
Total	2,185,768	73,265	1,765,300	164,803	170,361	1/	4,359,497
July-April 1959-60:							
United States	—	—	2,671	—	—	—	2,671
Canada	—	—	—	—	—	125	125
Brazil	764,397	—	—	3,089	6,143	—	773,629
Chile	50,000	—	—	—	—	—	50,000
Paraguay	64,120	—	—	—	—	—	64,120
Peru	111,421	—	2,210	—	—	—	113,631
Uruguay	10,870	500	840	2,001	7,985	—	22,196
Austria	20,965	8,029	3,465	160	—	150	32,769
Belgium-Luxembourg :	26,384	2,372	221,088	5,452	1,186	25,547	282,029
Denmark	1,575	200	2,188	6,950	—	10,325	21,238
France	66,194	—	2,890	—	—	—	69,084
Germany, East	—	—	—	—	—	1,190	1,190
Germany West	209,377	20,709	174,269	79,692	187,272	14,034	685,353
Italy	66,006	6,729	1,008,166	22,577	23,783	5,668	1,132,929
Netherlands	93,408	14,311	507,946	70,270	20,808	107,375	814,118
Norway	15,000	2,100	4,108	—	600	—	21,808
Portugal	6,993	—	—	—	—	—	6,993
Sweden	—	1,700	3,650	3,750	—	235	9,335
Switzerland	7,265	—	14,546	1,600	—	—	23,411
United Kingdom	187,201	1,224	326,113	—	13,444	9,788	537,770
U.S.S.R.:	—	—	—	—	10,337	—	10,337
Yugoslavia	—	—	—	—	—	250	250
Japan	—	—	317,474	—	—	—	317,474
Lebanon	29,475	—	—	—	1,350	—	30,825
South Africa	—	—	—	—	—	18	18
Total	1,730,651	57,874	2,591,624	195,541	272,908	174,705	5,023,303

^{1/} Not available prior to September 1959.Source: El Cerealista.

COLOMBIA OPENING NEW AREA TO FARM SETTLERS

As part of its program to expand and improve agricultural production, the Agricultural Credit Bank of Colombia recently entered into an agreement with the Governor of the Department of Boyaca to open about 100,000 hectares (247,000 acres) for colonization.

The area is in the extreme west of the Department and adjoins the Magdalena River. It is 1,000 to 1,500 feet above sea level and largely jungle.

Work is to start within 4 months. Plans are to open up 2 main roads--one to the village of Otanche, now connected with the towns of Pauna and Chiquinquira on the east, and another west to Puerto Boyaca on the Magdalena River. Puerto Boyaca and Otanche will be centers of operation out of which colonization areas will be established for new settlers as well as for about 500 settlers already in the area.

Settlers will be chosen from families now without land or with very small properties (minifundos). Selected families will be granted 50-hectare parcels (124 acres). The Agricultural Credit Bank and the Province of Boyaca will advance credits for housing, farming supplies, and initial living costs, as well as roads, schools, and other general services.

Boyaca is one of 6 pilot colonization projects initiated or planned in the eastern provinces of Colombia. It is part of a broad program to accelerate the country's agricultural development in order to meet the needs of a population which is expanding more than 2 percent annually.

MADAGASCAR GAINS INDEPENDENCE

The island of Madagascar became an independent nation of the French Community on June 26. The new nation is the Malgache Republic (popularly called the Malagasy Republic).

Rice is the principal food crop, occupying about half the cultivated land. Cassava is next in size of plantings. Principal exports are coffee, rice, vanilla, sugar, tobacco, cloves, and butterbeans. The new nation is the world's largest exporter of butterbeans, and it produces about 60 percent of the world's vanilla.

Vanilla is the most valuable export to the United States (\$7 million in 1958), which takes about 90 percent of the total vanilla exports. Robusta coffee is the second largest export to the United States (6,400 metric tons in 1958). The island's major market for all exports is France, but the United States is second.

CORN OUTLOOK POOR IN MEXICO

Continued drought over most of Mexico has delayed planting of corn in most of the north, central, and Gulf Coast regions.

Not only was planting delayed but some of the early planted acreage was damaged by high temperatures and lack of rain. Consequently, it is likely that the 1960 crop will be considerably below the record outturn of about 220 million bushels harvested in 1959. That large crop put Mexico in a net export position.

CANADA'S GRAIN PROSPECTS GOOD

Recent rains maintained moisture supplies and improved grain prospects over most districts of Canada's Prairie Provinces, according to reports of the Dominion Bureau of Statistics.

In general, moisture is adequate for present requirements but additional rains are needed in parts of Southern Alberta and Southwest Saskatchewan. Condition of forage crops and pastures is generally good to excellent.

NEW FLOUR MILL IN ANGOLA WILL OPEN SOON

A new flour mill in Luanda, Angola, is expected to begin operation in September or October 1960. Angola will then cease to be an importer of flour and will become an importer of wheat.

The Cereals Board estimates wheat requirements during the first year at 22,000 metric tons. The mill plans to use ordinary wheat of 12 to 13 percent protein, approximately 80 percent soft red winter and 20 percent hard red winter.

Tenders for either the total or about 5,000 tons ($\frac{1}{4}$ of the annual amount) will probably be called for in July with a 30-day period from the call to the opening of the bids, and a delay of 3 or 4 days after bids are opened before the successful bidder is announced. The call will be made by the Cereals Board or the owner of the mill. Credit will be needed, probably the revolving type of about 4 months duration, to finance operations during the period between the purchase of the wheat and the sale of the flour. This information was collected on a recent visit to Luanda, Angola, by Mr. W. H. Crotinger, representing the Great Plains Market Development Association, Inc., and Mr. Judson E. Evans, Staff Assistant to the General Sales Manager, CSS U. S. Department of Agriculture.

MICHIGAN BEANS PLANTED IN YUGOSLAVIA

About 1,000 acres of Michigan pea beans are being grown under contract in Yugoslavia this year. The seed was produced in Yugoslavia in 1959 from commercial grade Michigan pea beans imported from the United States via the Netherlands.

The imported beans were tested for germination and then planted on $2\frac{1}{2}$ -acre test plots at the Horticultural Institute, located at Smed Palanka, and on three State farms near Belgrade.

Yields on the State farms ranged from 1,400 to 1,600 pounds uncleaned, per acre, compared with 800 pounds for domestic-type beans. Yields on the Institute plots averaged 1,700 pounds uncleaned. In the latter case, the beans were planted May 16 to 21, 1959, at 90 pounds of seed per acre in rows spaced 22 to 26 inches. Fertilizing was at the rate of 310 pounds of 20-percent nitrogen, 310 pounds superphosphate, and 133 pounds potassium per acre.

ARGENTINA PLANS TO LIMIT 1960-61 SUGAR OUTPUT

The Government of Argentina has announced plans to limit 1960-61 sugar production to estimated domestic requirements--about 860,000 short tons, raw value. It hopes to accomplish this by limiting financial assistance to those mills which restrict production to 79 percent of their 1959-60 production. This action was taken because of the substantial accumulation of sugar stocks during the past two seasons.

NIGERIA INTENSIFIES EFFORTS TO DEVELOP COCOA INDUSTRY

More than 10,000 acres of cocoa were planted last year in the Western Region of Nigeria. Five million seedlings of the Amazon variety were used. They were sold on a subsidized basis, as each seedling cost about 9-1/3 cents and was sold to the farmer at 1-1/3 cents. The government plans to distribute 8 million more seedlings in 1960.

Since April of last year, the regional government of Western Nigeria has spent nearly £ 1,000,000 (\$2,800,000) to provide cocoa farmers with 100,000 gallons of Gammalin 20 to destroy capsid insects.

In addition, about \$1,400,000 was spent for fungicides to combat black pod disease. Both control programs are being continued this year, as well as government loans to farmers wishing to buy spray pumps for applying the chemicals.

BRAZIL SETS NEW EXCHANGE RATE FOR COFFEE EXPORTS

Brazil recently announced an effective exchange rate for coffee exports of 90 cruzeiros per dollar for the 1960-61 marketing year beginning July 1. The rate during 1959-60 was 76 cruzeiros per dollar.

MEXICAN WINTER VEGETABLE SHIPMENTS CONTINUE LARGE

The following winter vegetables from the west coast of Mexico crossed the border at Nogales, Arizona, from June 1-15, 1960 (in thousands of pounds). Comparable figures for last year are shown in parentheses: cantaloupes 6,855 (494); garlic 197 (39); peppers 12 (93); tomatoes 2,324 (180); and watermelons 10,240 (1,068).

CANADA CONTINUES SOYBEAN PRICE SUPPORT

The Canadian Ministry of Agriculture announced on June 24 that the Agricultural Stabilization Board had been authorized to continue to support the price of soybeans grown in Ontario in 1960. The support price will be \$2.00 per bushel (about U.S. \$2.10) for Canadian No. 2 grade or better, the same as last year.

The 1960 support will be 91 percent of the price of soybeans during the most recent 10 years as compared with 87 percent in 1959. Final data are not available, but it is estimated that deficiency payments made to soybean producers on the 1959 crop were around \$1 million.

MEXICO TRANSSHIPS LESS COTTON THIS SEASON

Mexican cotton transshipments of 558,000 bales (500 pounds gross) through U. S. ports during the first 8 months (August-March) of the 1959-60 season were 11 percent below the 628,000 bales transshipped in the corresponding 1958-59 period.

Principal destinations during August-March 1959-60, with comparable 1958-59 figures in parentheses, were: Japan 108,000 bales (94,000); West Germany 94,000 (129,000); France 72,000 (19,000); United Kingdom 51,000 (75,000); Italy 41,000 (88,000); Netherlands 36,000 (34,000); Switzerland 25,000 (20,000); Belgium 23,000 (54,000); Chile 17,000 (4,000); Spain 16,000 (10,000); Australia 14,000 (25,000); and Canada 11,000 (13,000).

March 1960 transshipments totaled 27,000 bales, compared with 17,000 bales in February, and 76,000 in March 1959.

U. S. ports through which most of the Mexican transshipments moved in the August-March period, were: Brownsville 504,000 bales; San Diego 29,000; Oakland 6,000; Los Angeles 5,000; Long Beach 4,000; Houston 3,000; Galveston 3,000; San Francisco 2,000; and Detroit 1,000.

U. S. COTTON IMPORTS AT LOW LEVEL IN MAY

United States imports of cotton for consumption during May 1960 amounted to only 1,000 bales (500 pounds gross), compared with 3,000 bales in April and 4,000 in May 1959. The May imports consisted mostly of short-staple harsh cotton from Pakistan.

Imports during the first 10 months (August-May) of the 1959-60 season, based on reports of the Bureau of the Census, were 142,000 bales--up 6 percent from imports of 134,000 bales in the corresponding period a year earlier.

Principal sources of imports during August-May 1959-60 (all under quota except short harsh Asiatic cotton), with comparable 1958-59 figures in parentheses, were: Egypt 67,000 bales (58,000); Mexico 38,000 (33,000); Peru 15,000 (26,000); Pakistan 11,000 (8,000); and India 8,000 (5,000).

PORTUGAL BUYING MORE U. S. COTTON

Portugal recently authorized additional imports of about 15,000 bales (500 pounds gross) of cotton from the United States. The United States exported about 2,000 bales to Portugal during the first 9 months (August-April) of the current season.

In most years Mozambique and Angola supply most of Portugal's raw cotton needs. However, supplies from these areas are nearing exhaustion, and since new-crop cotton will not begin reaching Portuguese mills in volume until September, imports from nonprovincial sources may total about 50,000 bales.

Portuguese consumption of cotton in the first 7 months (August-February) of this season is estimated at 127,000 bales--5 percent above the 121,000 bales used a year earlier.

U. S. COTTON LINTERS IMPORTS LOWER

U. S. imports of cotton linters, mostly felting qualities, during May amounted to 13,000 bales (500 pounds gross), compared with 15,000 bales in April, and 17,000 in May 1959.

Imports of cotton linters in the first 10 months (August-May) of the 1959-60 season totaled 159,000 bales--up 3 percent from imports of 155,000 bales in the corresponding period a year earlier. Principal sources of the August-May 1959-60 imports, with comparable 1958-59 figures in parentheses, were: Mexico 96,000 bales (120,000); U.S.S.R. 30,000 (18,000); El Salvador 6,000 (6,000); Brazil 6,000 (336); Nicaragua 5,000 (4,000); Guatemala 4,000 (2,000); and Belgium 4,000 (2,000).

U. K. IMPORTING MORE BUTTER AND CHEESE

In the first quarter of 1960, the United Kingdom's imports of 263 million pounds of butter exceeded imports in comparable 1959 by 7 million pounds.

Although combined shipments from New Zealand and Australia, the principal Commonwealth suppliers, dropped from 176 million pounds to 169 million pounds, the decline was offset by increased shipments from other countries. These included Denmark with 50 million pounds, compared with 38 million pounds a year earlier; Poland, 12 million pounds (9 million pounds); Finland, 9 million pounds (7 million pounds); and Norway, 3 million pounds (325,000 pounds).

Imports of cheese rose 22 million pounds to 102 million. New Zealand supplied 62 million pounds, or 13 million pounds more than a year ago. Australia shipped 20 million pounds, compared with approximately 11 million pounds in first quarter 1959. Somewhat heavier sales also were made by Denmark, France, Italy, and Switzerland; those made by the Netherlands, Norway, Sweden, and Canada were considerably less.

Imports of evaporated milk in the January-March period showed a sharp increase, rising to 4.5 million pounds from 1.4 million pounds in first quarter 1959. Almost all the 1960 imports came from the Netherlands. Imports of condensed skimmed milk increased to 746,000 pounds from 146,000, while imports of condensed whole milk dropped to 867,000 pounds from 1.4 million last year.

Imports of non-fat dry milk declined 34 percent to 38 million pounds, supplies from all main sources being considerably below those a year earlier. Shipments of dry whole milk increased 8 percent to 9.8 million pounds, mainly from New Zealand (3.4 million pounds) and Australia (2.9 million pounds).

The United Kingdom exported 14 million pounds of evaporated milk during the first quarter of 1960. This was 7.4 million pounds more than in the same period of 1959. Heaviest shipments were to Burma (3.4 million pounds), Malta (2.1 million), and India (1.9 million). Other regular customers--Malaya and Singapore, the Rhodesias and Nyasaland, and Trinidad and Tobago--also increased their takings. Exports to West Germany, however, were less than half of those a year earlier.

Condensed milk sales rose 20 percent to 10.2 million pounds, more than half of which went to Malaya. Other areas increasing their purchases were Malta, Tunisia, Singapore, North Borneo, and British Guiana.

Dry whole milk exports dropped 15 percent to 520,000 pounds, with declines in shipments to all major markets. Nonfat dry milk exports rose to 3.3 million pounds from 2.2 million last year. Heavier sales to India, Ceylon, and Nigeria accounted for most of the increase.

BRAZILIAN LIVESTOCK INDUSTRY MAY BENEFIT FROM NEW TYPE OF FEED

A chemist in Pernambuco, Brazil, has reportedly developed an economical method of eliminating the toxic element in castor cake, thus making it acceptable as cattle feed. The cake is very rich in protein. The U.S. castor industry is greatly interested in this development. Most castor cake is now used for fertilizer and brings a very low price.

GUATEMALA CONTINUES TO BE GOOD MARKET FOR U.S. TALLOW

The market for U.S. inedible tallow and grease in Guatemala is expected to remain good despite the fact that a new slaughtering plant will begin operation some time this year (see Foreign Crops and Markets, March 28, 1960).

While demand has been increasing, domestic production has declined in each of the past 3 years and now meets only about 47 percent of domestic tallow needs. Imports generally have been increasing and in 1959 amounted to 9.2 million pounds, of which 90 percent (8.3 million pounds) came from the United States.

With competitive prices, the United States continues to be the principal supplier, although exports to Guatemala during the first 4 months of 1960 were slightly below a year earlier--2.7 million pounds, compared with 2.9 million.

INEDIBLE TALLOW AND GREASE: Guatemalan imports, total and from the United States, average 1951-55, annual 1956-59

Year	Total imports	From U.S.	U.S. share
	1,000 lb.	1,000 lb.	Percent
Average:			
1951-55	6,395	6,154	96
1956.....	8,365	7,736	93
1957.....	8,452	8,204	97
1958.....	12,015	12,079	93
1959.....	9,170	8,249	90

MEXICO TIGHTENS IMPORT CONTROLS ON PORK AND VARIETY MEATS

Mexico has placed additional controls on imports of hogs, pork, and variety meats in order to promote its domestic industry and conserve foreign exchange. The United States has been Mexico's largest foreign supplier of these products.

Import permits from the Secretary of Commerce and Industry are now required for imports of slaughter hogs, fresh or frozen pork, and variety meats (from all species) into the free zones of Baja California and Sonora, as well as the rest of Mexico.

Permits are now required for imports of fresh and frozen bellies (presumably imports into the free zones do not require these permits).

Permits are now required for imports into the free zones of hog skins for food use, raw or cooked ham (not canned), and uncanned sausages.

The new import restrictions were published in the Diario Oficial of June 3, 1960.

U.S. exports of hogs and pork to Mexico in January-April were fairly moderate compared with recent years. However, exports of variety meats have increased sharply from 890,000 pounds in January-April 1959 to 1.5 million in the same period of 1960.

LIVESTOCK AND MEAT PRODUCTS: U.S. exports to Mexico,
1957-59 and January-April 1960

Item	1957	1958	1959	Jan.-Apr. 1960
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
Pork.....	4,275	5,798	10,944	2,069
Beef and veal.....	334	350	374	88
Other meats.....	809	340	288	60
Total red meat.....	5,418	6,488	11,606	2,217
Variety meats (except canned).....	2,031	1,012	3,052	1,494
Lard.....	11,782	14,565	10,524	3,867
Tallow & greases.....	40,945	50,143	15,984	2,379
Hides and skins:	<u>1,000 pcs.</u>	<u>1,000 pcs.</u>	<u>1,000 pcs.</u>	<u>1,000 pcs.</u>
Cattle and calf.....	458	361	530	176
Sheep and lamb.....	60	108	131	23
Live animals:	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Cattle.....	26,615	8,591	8,836	3,652
Hogs.....	1,256	25	8,374	349
Sheep and lambs.....	1,492	1,135	1,231	154

U.S. TALLOW EXPORTS TO FRANCE UP SHARPLY IN RECENT MONTHS

A sizable market for U.S. tallow in France has developed in recent months following import liberalization in July 1959. During 1959, the United States exported 10 million pounds of inedible tallow to France--virtually all in the last quarter. Shipments during the first 4 months of 1960 were 23 million pounds. In sharp contrast, exports to this market in 1958 were only 142,000 pounds.

Another factor contributing to the increase in exports to France was last summer's drought, which caused a decline in domestic output. Until recently, France has not only produced enough tallow to meet its requirements, but has even been a net exporter of tallow.

Demand also rose in 1959 because more tallow was used in the rapidly expanding poultry and livestock feed industry. Unless this utilization continues to expand, the market for U.S. tallow in France may be a temporary one, as domestic output will probably again be sufficient to cover requirements.

SLAUGHTER CATTLE PRICES DECLINE IN MOST COUNTRIES

Slaughter cattle prices in most major consuming areas of the world declined during May (see Foreign Crops and Markets, June 27, 1960).

Prices in both Canada and the United States were below the same period a year earlier, as slaughter increased.

Although prices in the United Kingdom rose slightly in response to reduced beef imports, they were still significantly below 1959 levels. Cattle marketings in the United Kingdom during May were approximately 25 percent above a year earlier. These higher U.K. marketings and lower prices also weakened the Irish market, which depends to a great extent upon sales of live cattle and beef to the United Kingdom.

Cattle prices in Italy rose slightly during May and were above 1959 levels. The rising standard of living in Italy has raised per capita consumption of beef; and demand for slaughter cattle has therefore increased sharply. Italian cattle numbers have been rising steadily in recent years in response to the favorable returns received by producers, and the uptrend is expected to continue for some time. In addition, Italy is a large importer of beef and live cattle. Approximately 221 million pounds of beef were imported in 1959--about 83 million pounds came from Denmark, 60 million from Argentina, and 28 million from Brazil; 197,000 head of cattle and calves were imported in 1959. France was the largest supplier, sending approximately 54,300 head. Denmark and Yugoslavia also supplied sizable numbers.

Cattle prices in Australia continued a seasonal decline during May, as increasing numbers of cattle were marketed during the beginning of the Southern Hemisphere winter.

Although recent price quotations from Argentina and Uruguay are unavailable, Argentine prices are reported to have declined during April and May, due to labor unrest in export packing plants, and to excessive marketing because of drought. Uruguayan prices--at a record level of \$9 per cwt. in April--are reported to have been steady during May as continued strong export demand supported the market.

SLAUGHTER STEERS: Comparative prices 1/ in selected world markets, monthly average per 100 pounds, live weight

Market and type <u>2/</u>	1959		1960			
	April	May	Feb.	March	April	May <u>3/</u>
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
North America:						
Chicago, good.....	28.11	27.87	25.10	25.91	25.69	25.44
Toronto, good.....	25.94	25.84	22.83	23.03	23.24	23.00
South America:						
Buenos Aires, chiller.....	7.30	7.00	10.30	9.00	---	---
Montevideo, special.....	4.80	5.10	8.90	8.90	9.00	---
Europe:						
English markets, grade I, <u>4/</u>	21.00	21.50	19.50	19.40	19.70	19.80
Dublin, fat.....	19.80	18.70	16.30	16.40	17.70	16.80
Bologna, prime.....	23.50	23.90	23.60	23.40	23.50	24.10
Other:						
Brisbane, light <u>5/</u>	11.00	10.50	12.50	12.20	12.10	10.80

1/ Converted to U.S. currency at current "free" rate. 2/ Type according to local standards, does not indicate U.S. standard grades. 3/ Subject to revision. 4/ Average price at 59 markets, 840 to 1,232-pound steers. 5/ Converted from dead-weight prices at an estimated dressing percentage of 55 percent.

UPTREND IN IRELAND'S CHOCOLATE CRUMB OUTPUT CONTINUES

A 3-year uptrend in Ireland's production of chocolate crumb (a cocoa-milk-sugar product) continued in the first quarter of 1960, when output rose to 6.8 million pounds--a 15-percent increase from comparable 1959.

Exports in the first 3 months of 1960 increased 4.3 million pounds to 6.9 million pounds. The United Kingdom continued to be the principal market, taking about 86 percent of total exports in the quarter. Canada has stepped up its takings in recent years, and in the first quarter of 1960 purchased 805,000 pounds, compared with 769,000 a year earlier. Some sales have been made to the United States during the past 6 months; during January-March 1960, the United States bought 110,000 pounds.

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USDA MAN ELECTED VICE-CHAIRMAN OF
INTERNATIONAL WHEAT COUNCIL

At the 30th Session of the International Wheat Council held in London on June 28-29, Kurt Hafner of West Germany was elected Chairman of the Council and of its Executive Committee for the crop year 1960-61. He succeeds Sir Edwin McCarthy, of Australia, outgoing Chairman.

A. A. Garthoff, Commodity Stabilization Service, U. S. Department of Agriculture, was elected Vice-Chairman of the Council and of its Executive Committee. He succeeds Dr. Hafner, who was Vice-Chairman last year.

Importing countries on the Executive Committee for 1960-61 are Belgium, the Netherlands, Luxembourg, Brazil, West Germany, India, Japan, Norway, the Union of South Africa, and the United Kingdom. Exporting countries on the committee are Argentina, Canada, Italy, and the United States.

Twenty-eight countries were represented at the 30th Session by delegates and advisers, and the Food and Agriculture Organization and the European Economic Community were represented by observers. The next meeting of the Council is to be held in November 1960.